



Congress of the United States
House of Representatives
Washington, DC 20515

COMMITTEE ON NATURAL RESOURCES
SUBCOMMITTEES:
INDIAN AND INSULAR AFFAIRS
OVERSIGHT AND INVESTIGATIONS
COMMITTEE ON HOMELAND SECURITY
SUBCOMMITTEES:
COUNTERTERRORISM AND INTELLIGENCE
EMERGENCY MANAGEMENT AND TECHNOLOGY

February 25, 2026

Lcdo. Carlos A. Santiago Rosario, JD, LL.M.
Executive Director
Administración de Seguros de Salud de Puerto Rico (ASES)
Puerto Rico Health Insurance Administration (PRHIA)
Urb. Caribe 1549 Calle Alda
San Juan, PR 00926

Dear Lcdo. Santiago Rosario:

Thank you for inviting me to participate in the Multisectoral Task Force to discuss the pending Medicaid funding cliff facing Puerto Rico on September 30, 2027. This level of inclusion, coordination, and unity is exactly what will enable us to approach the Medicaid funding negotiations in Washington with a clear, aligned message. Based on my conversations with colleagues in Congress, compliance with the 2023 statutory requirements and bipartisanship are crucial in this effort.

Puerto Rico's Medicaid program serves approximately 1.5 million American citizens, almost half of the Island's population. Beneficiaries include children, seniors, individuals with disabilities, and low-income working families who rely on this coverage for access to essential care. With the funding extension granted in the Consolidated Appropriations Act of 2023, Puerto Rico received a Section 1108 allotment of more than \$3.5 billion and a 76 percent FMAP through FY2027, providing much-needed stability to the Island's Medicaid program.

When engaging leadership in both chambers and across both parties, we must ground our case in reliable, up-to-date, and consistent data. Providing Members and Senators with clear evidence of how the increased funding has expanded coverage and improved the quality of care and life for Puerto Ricans will be crucial to securing long-term stability and parity. One of the clearest ways to convey the gravity of this issue to Members of Congress is having data that clearly demonstrates how many beneficiaries would lose life-saving care if the FMAP returns to 55 percent and the Section 1108 allotment is cut to under \$500 million. Additionally, H.R. 1 established new nationwide Medicaid work requirements. As we work to extend this funding, we need to be fully aligned in our approach and be prepared to protect beneficiaries and push back against policies that could jeopardize coverage for Puerto Ricans.

The Government of Puerto Rico must meet certain statutory requirements regarding Medicaid established in the Consolidated Appropriations Act of 2023. These include implementing an asset

verification system and submitting an annual report to Congress describing how Puerto Rico has increased access to health care using the additional funding and the increased FMAP rates. Under the extension, Puerto Rico is also eligible for an additional increase in federal Medicaid funding of \$75 million in each fiscal year if Puerto Rico has designated an officer to serve as the Medicaid program integrity lead and procurement oversight lead.

It is critical that the Government of Puerto Rico gather all the necessary proof of compliance, as Members of Congress will first ask if Puerto Rico has met these statutory obligations. The Puerto Rico Department of Health must develop the updated data to support Puerto Rico's case for Medicaid parity, including its full compliance with statutory requirements, and share it with the organizations participating in this task force as soon as possible. With each Congress looking different from the last, we need to begin educating Members and their staff now. My office will continue working with national stakeholders to encourage them to include Puerto Rico Medicaid parity into their legislative priorities as they engage with Members of Congress, their staff, and committees.

Throughout my time in Congress, the issue of Medicaid and Medicare parity has been one of my top priorities. In November, I introduced H.R. 6031, the Medicare Advantage Integrity Act, a bipartisan bill that would ensure that when Medicare funds increase, they go where they should: to better care for patients, to fair pay for our providers, and to the stability of Puerto Rico's hospitals and clinics. Last year, I co-led the introduction of bipartisan legislation that would extend the Supplemental Security Income Program to Puerto Rico to support the 22 percent of Puerto Ricans who live with a disability, children with disabilities, and low income seniors who are excluded from the program simply because of where they live. I remain committed to working in a bipartisan manner to secure an extension of the Medicare Part D Low-Income Subsidy (LIS) and the Medicare Savings Program (MSP) for beneficiaries in Puerto Rico. The funds provided through the Enhanced Allotment Program for prescription drug assistance cannot be considered a substitute for the LIS. Without MSP, low-income Medicare beneficiaries in Puerto Rico are left to bear the full cost of Medicare premiums. We need a permanent solution that ensures Puerto Rico's participation in the Medicare Savings Program.

As I mentioned to the Governor, my office has been engaging with stakeholders who did not participate in the discussion on February 9. Some stakeholders have requested that we share their concerns internally and that we keep them private. Others asked us to relay their concerns for the broader group's consideration. Among them, the College of Physicians and Surgeons of Puerto Rico voiced concerns about insurer payments, including recurring claim denials, unjustified delays, and deficiencies in the administration of funds, all of which adversely affect the financial stability of health care providers. They also shared concerns about the administration of the Puerto Rico Health Insurance Administration (ASES), particularly regarding the lack of transparency, effective oversight, and contractual compliance by insurers operating under the program. The group also raised issues related to Pharmacy Benefit Managers (PBMs), highlighting their perceived lack of transparency, the disproportionate increase in medication costs for the Medicaid program, and concerns that ASES may be paying up to three times the price actually paid by PBMs, resulting in an adverse fiscal impact. In addition, my office met with the Financial Oversight and Management Board of Puerto Rico regarding Medicaid funding and emphasized the importance of gathering and sharing data on the impact to beneficiaries if current Medicaid funding levels are

not extended, as well as updated information on Medicaid expenditures since the FY23 CAA funding extension.

As I testified before the House Energy & Commerce Committee on December 12, 2025, Puerto Rico cannot continue operating under a system that creates a Medicaid funding cliff every few years, forcing the island to repeatedly face the threat of drastic cuts. Only parity would rectify these long-standing inequities. I frequently engage with Chairman Guthrie, Ranking Member Pallone, and House leaders about the matter, in both formal and informal settings. They respond positively to the example of bipartisanship that our offices have set, and I look forward to continuing to work with the Governor on this urgent matter.

Sincerely,

A handwritten signature in blue ink that reads "Pablo J. Hernández". The signature is written in a cursive, flowing style.

Pablo José Hernández
Member of Congress